

Date: Tuesday, October 19, 2010

ORIGINAL



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Arizona Corporation Commission  
Consumer Services Commission  
1200 West Washington St  
Phoenix, Arizona 85007

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Re: Docket W-02886A-10-0369

AZ CORP COMMISSION  
DOCKET CONTROL

My wife and I are surprised and upset about the size of the rate increase requested by ILX for the Kohl's Ranch Water Company. We have owned a summer cabin there for over 26 years and at each Summer meeting we have listened to others and voiced our own complaints about the lack of water pressure and the need for improvements. These requests have always fallen on deaf ears no matter who owned the Resort. Now it appears to us that ILX is attempting to sweeten the Water company's position for some undisclosed reason other than the "The need for improvements" that we property owners have been requesting, for over 26 years in our case alone. Furthermore their cry of "emergency" is a lack of responsibility that should not be born by individual homeowners.

There are a number of issues that concern us. It is our understanding that a water company needs to be a stand alone entity no matter if it is owned in conjunction with other properties. The water company needs to list it's assets, i.e. wellheads, pumping houses, storage tanks and water lines. If these assets have been stripped from the Water Company where does that leave the home owners? Are we to rely solely on the spring at Indian Gardens for our water needs? That spring has gone dry a number of times in the past which I believe is a result of the pumping from the aquifer that was being done by Kohl's Ranch Water Co. to water extensive lawns while homeowners during dry seasons were asked to conserve and water only certain days and times of day. After looking at the rate increase request it seems that the homeowners are being asked to subsidize the Resort's water usage. We can't argue facts, because we have no way to review their records of water use versus the homeowners use.

There isn't one of the home owners who can truly argue that we have not enjoyed an artificially low water rate for years but it was not of our choosing. In fact we have been requesting improvements over the years knowing full well that they would come with rate increases. A process that happens as surely as day follows night. For ILX to request this outrageous rate increase at this time smells to high heaven and I am not just talking about the smell of the water that comes out of our water taps. A rate increase of this magnitude would be a terrible hardship to our family and I believe to the other homeowners at Kohl's Ranch as well. Please understand that we are not a community of well off individuals with deep pockets. We are run of the mill average people who have worked hard through the years and have been blessed to own a small but lovely spot in the mountains.

Sincerely

Del and Karen Elms  
358 South Short Rd  
Payson, AZ 85541

534 W Michigan Av  
Phoenix, AZ 85023

Arizona Corporation Commission

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